

ROUSE HENDRICKS GERMAN MAY PC

ONE PETTICOAT LANE BUILDING

1010 WALNUT • SUITE 400

KANSAS CITY, MISSOURI

64106

TELEPHONE
(816) 471-7700

FACSIMILE
(816) 471-2221
rhgm.com

September 3, 2010

CONFIDENTIAL

Via Email and U.S. mail

Jeff S. Jordan

Supervisory Attorney - Complaints Examination & Legal Administration

Federal Election Commission

999 E. Street, NW

Washington, DC 20463

jjordan@fec.gov

kcollins@fec.gov

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RE: MUR 6249

Karen L. Pletz submits this response to the Complaint that was re-filed by Kansas City University of Medicine & Biosciences ("KCUMB") on August 5, 2010. This letter and the enclosed exhibits supplement (and incorporate) the submissions previously made by Ms. Pletz on March 8 and March 29, 2010. This supplement is necessary because, since Ms. Pletz's last submission, we have obtained additional documents¹ and KCUMB has made representations to the IRS in its 2009 Form 990 tax filing that should be considered by the FEC and which further support dismissal.

I. The Complaint Should Be Dismissed Because It Does Not Comply With The Filing Requirements

KCUMB originally filed its Complaint with the FEC on January 22, 2010. KCUMB re-filed the same Complaint, including the same exhibits, on August 5 to correct the jurat that was submitted with the original Complaint, in an attempt to bring the Complaint into compliance with the statutory and regulatory filing requirements.

The Complaint remains defective. *First*, the Complaint continues to fail to "differentiate between statements based upon personal knowledge and statements based upon information and belief," as required by 11 C.F.R. §111.4(c). *Second*, the Complaint remains defective because it was not "made under penalty of perjury and subject to the provisions of section 1001 of Title 18." 2 U.S.C. §437g(a)(1). Conspicuously missing from the signature and notary blocks is any statement that the Complaint was made under penalty of perjury or subject to 18 U.S.C. §1001. (By contrast, with her March 8, 2010 submission, Ms. Pletz included an affidavit that was made "under penalty of perjury (18 U.S.C. §1001)." See Pletz's 3/8/10 Response at Exhibit 2.)

¹ As discussed in Ms. Pletz's March 29 submission, Ms. Pletz has filed a wrongful termination suit against KCUMB, and KCUMB has filed a lawsuit against Ms. Pletz. We obtained the additional documents referenced in this submission from KCUMB through ongoing discovery in the civil lawsuits.

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These filing requirements are not mere technical rules. Rather, they are important and necessary because they force the complainant to state whether the allegations are based on personal knowledge or "information and belief" (i.e., inference and conjecture), and swear to the truth of the allegations under penalty of perjury. That KCUMB has been unwilling twice to meet these basic filing requirements speaks volumes about the reliability of the allegations and the sincerity with which they are made. For these reasons alone, the defectively filed Complaint should be dismissed.

II. There Is No Evidence That Karen Pletz Made Political Contributions On Behalf Of KCUMB

A. No correlation exists between the payments received by Ms. Pletz and the political contributions made by Ms. Pletz

As discussed in Ms. Pletz's March 8 submission, there is a complete lack of correlation between the leadership stipend payments that Ms. Pletz received as part of her compensation (and taxable income), and the political contributions that she made. See Pletz's 3/8/10 Response at 3-5. Recent representations made by KCUMB to the IRS make this lack of correlation even more apparent.

The following table compares, for years 1998-2009, the leadership stipends that Ms. Pletz is alleged to have received to the federal political contributions that she made. This table has been updated since Ms. Pletz's March 8 submission with information that KCUMB supplied to the IRS in its 2009 tax filing regarding the stipend payments that KCUMB says were made to Ms. Pletz in 2002-2009. The relevant pages of that tax filing are enclosed (and highlighted) as Exhibit 1 to this submission.

	<u>Leadership Stipend</u>	<u>Political Contributions</u>
1998	\$0	\$1,000
1999	\$42,000	\$1,000
2000	\$[amount not determined] ²	\$2,500
2001	\$[amount not determined]	\$0
2002	\$174,000	\$0
2003	\$132,000	\$0
2004	\$193,000	\$5,000
2005	\$195,000	\$0
2006	\$195,000	\$1,250
2007	\$195,000	\$3,950
2008	\$195,000	\$500
2009	\$195,000	\$500
TOTAL:	\$1,516,000	\$15,700

²It is Ms. Pletz's best recollection that she received leadership stipend payments in 2000 and 2001. We have not, however, determined the amounts for 2000 and 2001, and KCUMB's tax filing does not list the amounts for these years.

Using KCUMB's own figures, Ms. Pletz received \$1,516,000 in the form of a compensatory leadership stipend (used for non-political activities) and yet only made \$15,700 in federal political contributions. The lack of correlation is obvious: the political contributions made are 1% of the stipend payments received. Rather than proving a violation of FBCA, these numbers evidence the absence of an illegal plan for Ms. Pletz to use the stipend to make political contributions on KCUMB's behalf. Indeed, the numbers disprove the Complaint's allegations.

B. Board and Committee Minutes demonstrate that Ms. Pletz was not expected to – and did not – use the leadership stipend for political purposes

Ms. Pletz's March 8 submission discusses and quotes from meeting minutes of the KCUMB Board's Executive Committee. See Pletz's 3/8/10 Response at 5. These minutes show that Ms. Pletz was awarded the leadership stipend in recognition of her involvement and leadership in the civic community; they do not show that the stipend was to be used for political contributions. KCUMB tries to sidestep the Executive Committee minutes in its FEC Complaint by making an unsubstantiated claim that "many" – but they do not say which ones – Executive Committee minutes may be fraudulent. Even if this claim were true (and Ms. Pletz denies that it is), there are other Board and Committee minutes not mentioned in KCUMB's Complaint that, consistent with the Executive Committee minutes, show that Ms. Pletz was awarded the leadership stipend solely for what the stipend's name implies: leadership in the community. These other Board and Committee minutes were produced by KCUMB in the civil lawsuit.

On October 17, 2005, the Board's Compensation and Benefits Committee ("Compensation Committee") met to discuss Ms. Pletz's compensation. At this meeting, the minutes show that the Compensation Committee expressly authorized the payment of "leadership stipends" to Ms. Pletz. The following is an excerpt from the minutes:

The committee acknowledged the President for her singular leadership, not only in her role at Kansas City University of Medicine and Biosciences, but within the community, both locally and nationally.

There is considerable pride in her leadership and the committee especially wanted to acknowledge her year of leadership in the Greater Kansas City community.

* * *

On motion of Darin L. Haug, D.O., seconded by H. Danny Weaver, D.O., it was deemed that President Karen L. Pletz has performed in the "distinguished" category and; therefore, the committee approved she be awarded a 5-percent increase to her current base salary, and *that the leadership stipends awarded during 2002-2005 be continued for 2005 through 2008.*

See Compensation and Benefits Committee Minutes for 10/17/2005, attached at Exhibit 2 (emphasis added).

On the day following the October 17 meeting of the Compensation Committee, the Board of Trustees met. At the Board meeting, the minutes show that Compensation Committee member Richard Brown gave a report on the Compensation Committee's October 17 meeting

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and discussed with the Board the Committee's decision to award leadership stipend payments to Ms. Pletz. The following is an excerpt from the Board minutes:

Mr. Brown stated that the [Compensation] committee *acknowledged the President for her singular leadership, not only in her role as Kansas City University of Medicine and Biosciences, but within the community...both locally and nationally.* (ellipses in original)

Mr. Brown stated that the *President was awarded leadership compensation* and appropriate adjustments in her annual salary. He further noted that her contract has had a three-year term, which has been extended annually to ensure a continuing, rolling three-year term.

On motion of Mr. Brown, seconded by Mr. Doepke, it was *unanimous to ratify and affirm the actions of the Compensation and Benefits Committee.*

The members of the *Board extended accolades to President Pletz for her many accomplishments and excellent leadership of the corporation.*

See excerpts from Board of Trustees Minutes for 10/18/2005, attached at Exhibit 3 (without Minutes exhibits) (emphasis added).

The October 17-18, 2005, Compensation Committee and Board minutes show KCUMB awarded the stipend to Ms. Pletz solely because of her leadership and accomplishments in the civic community. These minutes are not anomalies. Enclosed as Exhibit 4 to this submission is a compilation of excerpts from other Compensation Committee and Board minutes, which show approval of the leadership stipend to Ms. Pletz and/or discuss Ms. Pletz's leadership activities in the community. Exh. 4 at 10/20/08 Compensation Mtg. (approving "that the leadership stipends be continued for 2008 through 2013"); 1/26/01 Board Mtg. (recognizing Ms. Pletz's "active role in the community"); 10/22/02 Board Mtg. (extending "accolades to President Pletz for her many many accomplishments and excellent leadership of the corporation"); 10/21/03 Board Mtg. (same); 10/19/04 Board Mtg. (expressing "considerable pride in [President Pletz's] leadership...especially wanted to acknowledge her year of leadership in the Greater Kansas City Chamber of Commerce and her recent selection as Kansas City's 2004 Woman of the Year"; "President will be awarded appropriate compensation and adjustments in her annual salary"); 10/31/06 Board Mtg. ("President was awarded leadership compensation"); 10/16/07 Board Mtg. ("President was awarded leadership compensation"); 10/21/08 Board Mtg. (extending "accolades to President Pletz for her many many accomplishments and excellent leadership of the corporation"); 4/21/09 Board Mtg. (recognizing Ingram's Magazine's selection of President Pletz as "2009 Kansas City's Power Elite").

These minutes, which make no mention of political contributions, are dispositive evidence that neither KCUMB nor Ms. Pletz intended the leadership stipend to be used for political activity.

* * *

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The Complaint's allegation – that the leadership stipend was used for political purposes – fails because there is an absolute absence of evidence to support it. In fact, as discussed above, the contemporaneous minutes and lack of correlation between stipend payments and political contributions (\$1,516,000 versus \$15,700) *disprove* that the stipend was used for any illegal purpose. And without this supporting documentary evidence, KCUMB's allegation that the stipend payment was intended, at least originally, to be funneled to political candidates/causes turns entirely on the word of two individuals: former Board Chairman Jack T. Weaver and Karen L. Pletz. Jack Weaver unfortunately is no longer living. And Ms. Pletz vehemently, and under oath, denies that the stipend had any connection to her political contributions, as nominal as they were.³

Given this record, no case can be made against Ms. Pletz, and we respectfully submit that the FEC should decline to spend its resources investigating this matter.

III. Conclusion

For these reasons, as well as those stated in the March 8 and 29 submissions, Karen L. Pletz requests that the FEC dismiss this matter. *First*, KCUMB's Complaint is defective because it does not meet the filing requirements set by statute and regulation. *Second*, the Complaint fails to present evidence sufficient to find a "reason to believe" that a violation of FECA has occurred. *Finally*, as argued in the March 8 submission, the FEC should decline to further investigate for the policy reasons set forth in the FEC Guidebook.

Respectfully submitted,

ROUSE HENDRICKS GERMAN MAY PC

By B. Balore
Charles W. German
Brandon Boulware
1010 Walnut Street, Suite 400
Kansas City, MO 64106
Tele: (816) 471-7700
charleyg@rhgm.com
brandonb@rhgm.com

Counsel for Karen L. Pletz

³ Applying 28 U.S.C. §2462, pre-2005 political contributions are outside the five year statute of limitations. \$15,700 is therefore not the operative number. Since 2005, Ms. Pletz's contributions total just \$6,200.